

## **Internal Service Funds**

**Internal Service Funds** are used to account for the financing of goods and services provided by one City department to other City departments on a cost-reimbursement basis.

**Workers' Compensation Fund** – To account for the operations of the City's self-insured workers' compensation program.

**Unemployment Compensation Fund** – To account for the operations of the City's self-insured unemployment compensation program.

**Public Liability Fund** – To account for the operations of the City's self-insured liability program.

**Central Stores Fund** – To account for the operations of the City's centralized supplies inventory, including receiving and delivery services provided to City departments.

**Central Garage Fund** – To account for the maintenance and repair of all city-owned vehicles and motorized equipment, except for Police vehicles.

City of Riverside  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2003  
(amounts expressed in thousands)

Assets	Self Insured					Totals
	Workers' Compensation	Unemployment Compensation	Public Liability	Central Stores	Central Garage	
Current assets:						
Cash and investments	\$ 10,122	\$ 620	\$ 6,796	\$ 0	\$ 2,419	\$ 19,957
Receivables (net of allowances for uncollectibles):						
Interest	95	6	66	0	25	192
Intergovernmental	16	0	0	0	59	75
Prepaid items	0	0	0	3	0	3
Inventory	0	0	0	2,118	297	2,415
Total current assets	10,233	626	6,862	2,121	2,800	22,642
Advances to other funds	3,568	0	37	0	0	3,605
Capital assets:						
Machinery and equipment	74	0	0	225	8,504	8,803
Accumulated depreciation	(61)	0	0	(152)	(6,422)	(6,635)
Capital assets (net of accumulated depreciation)	13	0	0	73	2,082	2,168
Total assets	13,814	626	6,899	2,194	4,882	28,415
Liabilities						
Current liabilities:						
Accounts payable	2	0	79	372	143	596
Accrued payroll	97	0	0	85	405	587
Retainage payable	0	0	0	0	21	21
Claims and judgments	10,353	76	7,936	0	0	18,365
Deferred revenue	0	0	0	0	59	59
Deposits	19	0	0	0	0	19
Due to other funds	0	0	0	3,660	0	3,660
Total current liabilities	10,471	76	8,015	4,117	628	23,307
Net assets						
Invested in capital assets, net of related debt	13	0	0	73	2,082	2,168
Unrestricted	3,330	550	(1,116)	(1,996)	2,172	2,940
Total net assets	\$ 3,343	\$ 550	\$ (1,116)	\$ (1,923)	\$ 4,254	\$ 5,108

The notes to the financial statements are an integral part of this statement.

City of Riverside  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the fiscal year ended June 30, 2003  
(amounts expressed in thousands)

	Self Insured					
	Workers' Compensation	Unemployment Compensation	Public Liability	Central Stores	Central Garage	Totals
Operating revenues:						
Charges for services	\$ 5,479	\$ 119	\$ 4,411	\$ 1,148	\$ 3,773	\$ 14,930
Operating expenses:						
Personal services	329	0	0	410	1,706	2,445
Contractual services	74	0	5	0	27	106
Maintenance and operation	7	0	1	18	398	424
General	265	5	374	443	714	1,801
Materials and supplies	2	0	0	18	65	85
Insurance	4,935	122	5,604	7	22	10,690
Depreciation	18	0	0	20	681	719
Total operating expenses	5,630	127	5,984	916	3,613	16,270
Operating income (loss)	(151)	(8)	(1,573)	232	160	(1,340)
Nonoperating revenues (expenses):						
Interest income	523	23	261	0	93	900
Other	3	0	460	0	67	530
Gain on retirement of capital assets	0	0	0	0	15	15
Total nonoperating revenues (expenses)	526	23	721	0	175	1,445
Change in net assets	375	15	(852)	232	335	105
Total net assets - beginning	2,968	535	(264)	(2,155)	3,919	5,003
Total net assets - ending	\$ 3,343	\$ 550	\$ (1,116)	\$ (1,923)	\$ 4,254	\$ 5,108

The notes to the financial statements are an integral part of this statement.

City of Riverside  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended June 30, 2003  
(amounts expressed in thousands)

	Self Insured					
	Workers' Compensation	Unemployment Compensation	Public Liability	Central Stores	Central Garage	Total
Cash flows from operating activities:						
Cash received from customers and users	\$ 5,474	\$ 119	\$ 4,411	\$ 1,145	\$ 3,789	\$ 14,938
Cash paid to employees for services	(313)	0	0	(398)	(1,664)	(2,375)
Cash paid to other suppliers of goods or services	(4,469)	(127)	(5,161)	(695)	(1,294)	(11,746)
Other receipts	3	0	0	0	67	70
Net cash provided (used) by operating activities	695	(8)	(750)	52	898	887
Cash flows from capital and related financing activities:						
Purchase of capital assets	0	0	0	(63)	(919)	(982)
Proceeds from the sale of capital assets	0	0	0	0	15	15
Net cash (used) for capital and related financing activities	0	0	0	(63)	(904)	(967)
Cash flows from investing activities:						
Income from investments	514	23	269	0	93	899
Interfund receivables	464	0	22	0	0	486
Net cash provided by investing activities	978	23	291	0	93	1,385
Net increase (decrease) in cash and cash equivalents	1,673	15	(459)	(11)	87	1,305
Cash and cash equivalents, beginning	8,449	605	7,255	11	2,332	18,652
Cash and cash equivalents, ending	\$ 10,122	\$ 620	\$ 6,796	\$ 0	\$ 2,419	\$ 19,957

continued

City of Riverside  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended June 30, 2003  
(amounts expressed in thousands)

	Self Insured			Central Stores	Central Garage	Total
	Workers' Compensation	Unemployment Compensation	Public Liability			
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (151)	\$ (8)	\$ (1,573)	\$ 232	\$ 160	\$ (1,340)
Other receipts	3	0	460	0	67	530
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	18	0	0	20	681	719
Decrease in accounts receivable	0	0	0	0	3	3
(Increase) decrease in intergovernmental receivable	(5)	0	0	0	17	12
(Increase) in prepaid items	0	0	0	(3)	0	(3)
(Increase) in inventory	0	0	0	(146)	(55)	(201)
Increase (decrease) in accounts payable	(66)	0	76	189	(97)	102
Increase in accrued payroll	16	0	0	12	42	70
Increase in retainage payable	0	0	0	0	21	21
Increase (decrease) in deferred revenue	0	0	(460)	0	59	(401)
Increase in deposits	14	0	0	0	0	14
(Decrease) in due to other funds	0	0	0	(252)	0	(252)
Increase in claims and judgments	866	0	747	0	0	1,613
Net cash provided (used) by operating activities	<u>\$ 695</u>	<u>\$ (8)</u>	<u>\$ (750)</u>	<u>\$ 52</u>	<u>\$ 898</u>	<u>\$ 887</u>

The notes to the financial statements are an integral part of this statement.